

CONTENTS

A MESSAGE FROM THE PRESIDENT 6
INTERVIEW WITH PRESIDENT OKUBO, OLYMPUS IMAGING CORP. 10
REVIEW OF OPERATIONS 14
RESEARCH AND DEVELOPMENT 22
CORPORATE GOVERNANCE AND CSR 23
BOARD OF DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS 24
FINANCIAL SECTION 25
INTELLECTUAL PROPERTY REPORT 53
PRINCIPAL BUSINESS BASES / CONSOLIDATED SUBSIDIARIES 55
INVESTOR INFORMATION 57

Our mission:
To contribute to a life of quality, while
envisioning a better future for
everyone, everywhere, all the time.

Cancer Chemotherapy Center, Tokyo, Japan Olympus and the Japanese Foundation For Cancer Research (JFCR) established the Olympus Bio-imaging Lab on the premises of JFCR's Cancer Chemotherapy Center in Tokyo. With the aim of achieving advanced cancer care, the lab commenced activities on April 1, 2005. By leveraging Olympus' advanced opto-digital product and technical know-how, the Olympus Bio-imaging Lab rapidly develops the technologies necessary for advanced cancer research. Along with these efforts, Olympus dispatches its researchers to the lab to implement joint research projects that meet the demands at hand. Olympus will continue to promote the health of global society by helping to realize advanced, next-generation healthcare and medicines with our technologies.



35.4°N 139.5°E

Sanbona Wildlife Reserve, South Africa Olympus' E-Series digital SLR cameras use the advanced Four Thirds System and are equipped with a variety of functions that make full use of their high-resolution, highly mobile characteristics. They're right at home in harsh environments, meeting the very critical needs of professional photographers, who make the world their stage.

The E-Series makes use of an imaging element that realizes a wide dynamic range, featuring a high-performance image-processing engine. What's more, the ZUIKO DIGITAL lens series has been specially designed to optimize the advantages of the Four Thirds System, helping to realize a truly small, light and portable digital SLR camera system. The E-Series has received acclaim for its Dust Reduction System and other proprietary functions developed through Olympus' advanced Opto-Digital technical expertise. In February 2006, Olympus released the E-330 interchangeable-lens-type digital SLR camera, featuring the world's first* Live View function.

The E-Series cameras offer the image quality of an SLR, any time and any place, with ease of operation and superb quality. These digital SLR cameras provide a completely new experience in picture taking, while providing brand-new functions unique to Olympus.

* Based on Olympus survey as of January 2006 regarding Full-Time Live View interchangeable-lens-type AF digital SLR camera

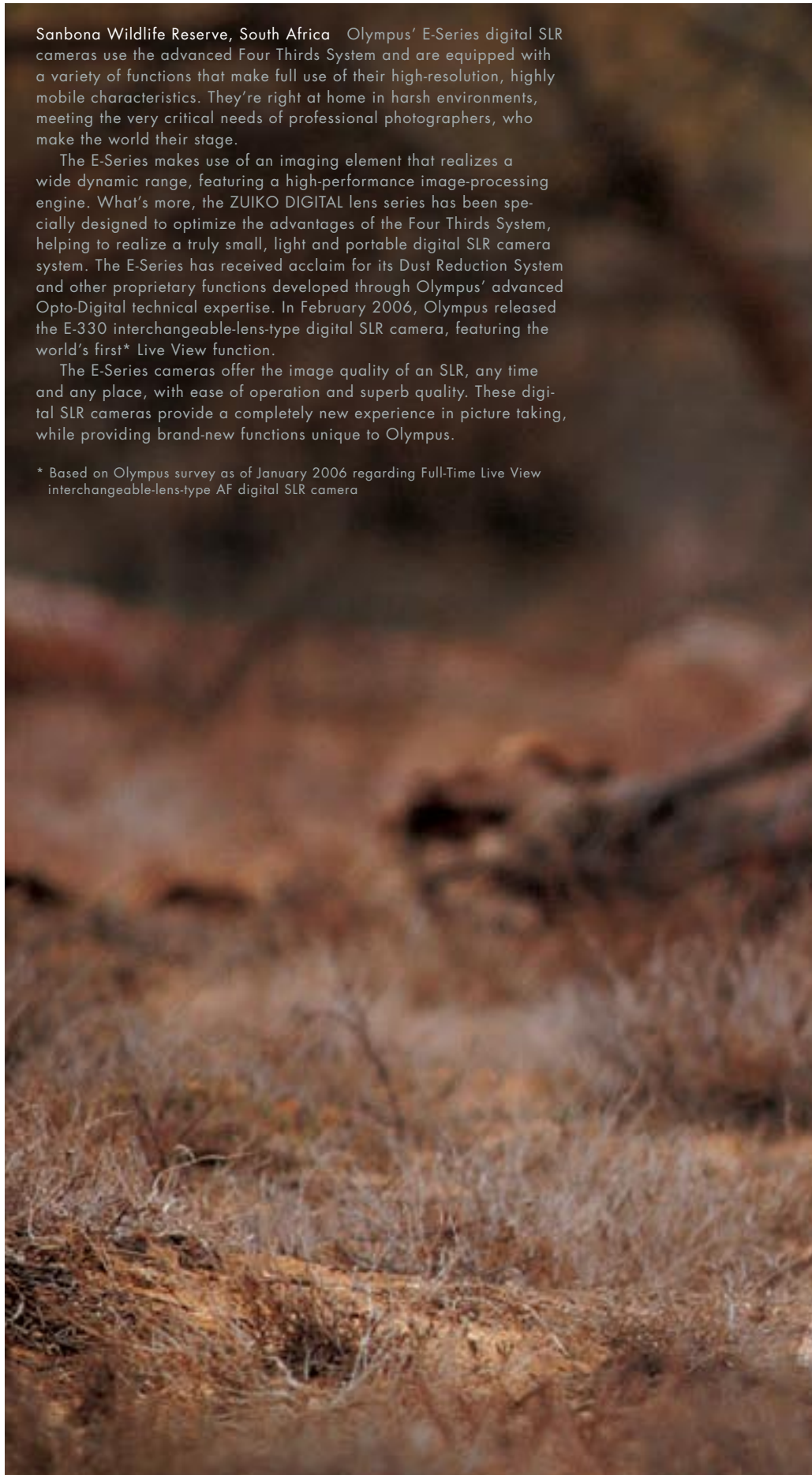


E-1



E-330

Photograph: Mitsuaki Iwago;
shot with the Olympus
E-1, ZUIKO DIGITAL ED
300mm+EC-14, F4.0,
1/800sec.



33.4°S 20.3°E



Hamburg, Germany, and Pennsylvania, U.S.A. For more than half a century, since its first development of the endoscope, Olympus has been expanding its business in the medical field, from diagnostics to treatment. The possibilities for endoscopes continue to expand in various ways, including their contributions to the early detection of diseases and their use in minimally invasive medical care.

In January 2006, Olympus commenced sales of the EVIS EXERA II high-definition endoscope system in Europe and North America. The EVIS EXERA II features Olympus' new Narrow Band Imaging (NBI™)* function that enhances visibility for the examination of capillaries and other structures on the mucosal surface and thus may improve the prospects for the early detection of minute lesions, including early-stage cancer, and provide accurate preoperative diagnosis of diseased areas. Receiving high commendations throughout the world, Olympus' endoscopic technology continues to evolve, hand-in-hand with other advanced medical developments.

* Narrow Band Imaging is a registered trademark of Olympus Corporation.



53.3°N 9.6°E, 40.5°N 75.4°W

and

Olympus conducts all corporate activities in accordance with its basic philosophy of "Social IN" concept. This approach represents a new style in corporate thinking through which the Company seeks to introduce new values that will enable consumers to lead a happy, healthy life, while also helping Olympus integrate with the communities it serves, sharing a common sense of value with society.

Based on this philosophy, Olympus continues to create and enhance its corporate value in a real-world, timely manner, thus providing new values most sought after by society. serving the common interests of all of its shareholders by

what's



next >